



# Hospital Care and Services

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## INDUSTRY SNAPSHOT

**General Industry:** Health Science

**Career Clusters:** Business, Management, and Administration; Health Science

**Subcategory Industries:** Cancer Hospitals; Children's Hospitals; Extended Care Hospitals; General Medical and Surgical Hospitals; Maternity Hospitals; Osteopathic Hospitals; Psychiatric and Substance Abuse Hospitals; Rehabilitation Hospitals

**Related Industries:** Counseling Services; Insurance Industry; Medicine and Health Care Industry; Pharmaceuticals and Medications Industry; Public Health Services; Residential Medical Care Industry; Scientific, Medical, and Health Equipment and Supplies Industry

**Annual Domestic Revenues:** \$575 billion (First Research, 2010)

**Annual Global Revenues:** \$4.5 trillion (total health care expenditures; The Medica, 2009)

**NAICS Number:** 622

ized accommodations required by inpatients are more costly to provide than are outpatient services, and they represent the primary expense for entities delivering these services. Hospitals have traditionally provided outpatient services as a secondary activity, but their focus has shifted in the twenty-first century (largely driven by cost). Hospitals admit fewer patients to beds, and they provide more care on a nonadmission basis, either through the hospitals proper or through their ancillary clinics. Contemporary outpatient, or ambulatory, services provide greater revenue opportunities than do inpatient services. This situation represents a distinct change that occurred over the first decade of the twenty-first century.

The American Hospital Association (AHA) defines a hospital as a facility in which at least six inpatient beds are available for admission and occupancy twenty-four hours a day, seven days a week. A hospital must have on staff fully licensed physicians and other medical professionals authorized to provide inpatient oversight

## INDUSTRY DEFINITION

### Summary

Hospitals provide medical, diagnostic, and treatment services that are delivered by physicians, nurses, and other medical services staff. Special-



*Most hospitals provide both inpatient and outpatient services. (©Ken Cole/Dreamstime.com)*

and care. Diagnostic services, some invasive, ranging from pathology to radiology are delivered by physicians, nurses, and ancillary staff. Inpatient services are highly specialized and require substantially greater facility and equipment expenditures and highly trained nursing support. Hospitals, however, must also provide some ambulatory services, such as emergency care, in order to meet criteria required to call themselves hospitals.

There are three overarching categories of hospitals that admit patients for care: general hospitals, specialty (tertiary) hospitals, and psychiatric hospitals. Specialty hospitals provide higher-acuity services—specialized facilities, medical specialists, and enhanced technologies—that general hospitals do not. Private and public hospitals in the United States employed over 5.5 million people in 2006, according to the U.S. Bureau of Labor Statistics (BLS). Some 35 percent of the U.S. health care workforce works in a hospital setting. Of that number, 70 percent work in facilities with more than one thousand employees.

Health care reform and efforts to curb prohibitive costs have resulted in a push to deliver more services on an ambulatory basis. For example, years ago it was common practice to admit newly diagnosed diabetics to hospitals for at least several days to start insulin therapy and educate the patients about their condition and treatment. In the twenty-first century, an admission of this sort is likely to be denied payment by most insurers, who expect such patients to be treated in doctor's offices or clinics on an outpatient basis. Hospitals have become places where only the sickest and most resource-intensive patients are admitted, leaving outpatient care to doctors' offices and clinics.

Many physicians (internists and specialists) establish relationships with hospitals so that when their patients are sick, they can send them to those facilities. Traditionally, doctors in private practice would communicate with relevant hospital staff to coordinate their patients' care, visiting the hospital either before or after their workdays to gauge their patients' progress and issue orders for patient care.